5. INFORMATION ON THE CAN-ONE GROUP

5.1 Background

5.1.1 History

Can-One was incorporated in Malaysia under the Act on 7 January 2004 as a public company under the name Can-One Group Berhad. On 21 January 2004 it assumed its present name. The Company was incorporated as an investment holding company to facilitate the Flotation Exercise. The Company presently has an authorised share capital of RM100,000,000 comprising 200,000,000 Can-One Shares, of which 130,400,000 Can-One Shares have been issued and fully paid-up. Upon completion of the Flotation Exercise, the issued and paid-up share capital of Can-One will be increased to RM76,200,000 comprising 152,400,000 Can-One Shares.

The Can-One Group is principally involved in the manufacture of tin cans and jerry cans which are mainly used as packaging materials for edible oil, cereals, milk powder, biscuits, coffee powder, motor oils, chemicals and paints. The Group's customers are mainly in the food industry producing products such as edible oils, cereal products, dried food such as biscuits, milk powder and coffee powder whilst others are in the industrial sector with products such as motor oils, lubricants, paints and chemicals.

The main subsidiary, Aik Joo has been involved in the manufacture of lithographed general line tin can for more than forty (40) years. It started as a small can manufacturer in early 1960's, supplying small quantity of cans such as plain biscuit cans and kerosene cans which mainly cater for retail businesses.

Aik Joo acquired its first factory in Mak Mandin, Butterworth in 1968. Since then, the business of Aik Joo has grown to a bigger scale, and in 1993 and 1994 it expanded operations to the central and southern regions of Peninsular Malaysia. Aik Joo's second factory at Pandamaran, Klang, which commenced operations in 1993, is mainly used to cater to the demand of its customers in the central region. In 1994, Aik Joo expanded its operations to Pasir Gudang, Johor. In 2000, its factory in Teluk Panglima Garang, Klang commenced operations. Except for the Pandamaran factory which does not have printing presses, each factory has a full range of machinery required to produce tin cans.

In addition to supplying tin cans to the domestic markets, Aik Joo also ventured into the overseas market by exporting its edible oil tin cans to Vietnam, Singapore, Cambodia and paint cans to New Zealand. It has since succeeded in securing business abroad especially from Singapore. In 2003, Aik Joo increased its product range to the manufacture of jerry cans to complement the tin can business.

Can-One is principally an investment holding company with three (3) wholly-owned subsidiaries, namely, Aik Joo, Ajcan and Canzo. The principal activities of its subsidiaries are as follows:

Name	Date and Place of Incorporation	Issued and Paid-up Share Capital	Principal Activities
Aik Joo	1 November 1957, Malaysia	RM10,000,000	Manufacturing of metal and lithographed cans, and jerry cans
Ajcan	25 January 1983, Malaysia	RM200,000	Property letting and property investment
Canzo	9 October 2003, Malaysia	RM2	Manufacturing and trading of jerry cans and related products

5. INFORMATION ON THE CAN-ONE GROUP

5.1.2 Changes in Share Capital

The changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

Date of allotment	No of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
07/01/2004	2	1.00	Subscribers' shares	2
09/04/2005	4	0.50	Sub-division of par value from RM1.00 per ordinary share to RM0.50 per ordinary share	2
29/04/2005	130,399,996	0.50	Issued as consideration for the Acquisition of Aik Joo	65,200,000

5.2 Information on Subsidiaries

5.2.1 Information on Aik Joo

(a) Background

Aik Joo Can Factory Limited was incorporated in Malaysia on 1 November 1957 under the Companies Ordinances 1940 to 1946. It assumed its present name on 15 April 1966. Aik Joo commenced its business in the early 1960's. It is principally involved in the manufacturing of metal and lithographed tin cans, and jerry cans. Aik Joo is a wholly-owned subsidiary of Can-One and as at the Latest Practicable Date, it does not have any subsidiary or associated company subsequent to the completion of Acquisition of Ajcan.

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5. INFORMATION ON THE CAN-ONE GROUP

(b) Changes in Share Capital

Aik Joo presently has an authorised share capital of RM10,000,000 comprising 10,000,000 Shares. The changes in the issued and paid-up share capital of Aik Joo since its incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
Shares issued before the Act				
01/11/1957	2	1,000	Subscribers' share	2,000
Up to 1965	153	1,000	Allotment	155,000
Shares issued after the Act				
12/09/1969	70	1,000	Cash	225,000
23/12/1969	5	1,000	Cash	230,000
13/11/1972	25	1,000	Cash	255,000
28/07/1981	255,000	1	Share split – 1,000 shares of RM1 each were issued to replace 1 share of RM1,000 each	255,000
24/09/1981	122,500	1	Cash	377,500
31/07/1985	226,500	1	Cash	604,000
07/03/1986	151,000	1	Cash	755,000
30/09/1989	2,265,000	1	Bonus issue, capitalised from capital reserve and retained earnings at par	3,020,000
01/12/1989	755,000	1	Bonus issue, capitalised from retained earnings at par	3,775,000
26/12/2003	6,225,000	1	Bonus issue, capitalised from unappropriated profits at par	10,000,000

5.2.2 *Information on Ajcan*

(a) Background

Ajcan was incorporated in Malaysia on 25 January 1983 as a private limited company under the Act. Its principal activities are property letting and property investment whereby Ajcan owns a leasehold factory and rents the said leasehold factory to Aik Joo.

Ajcan is a wholly owned subsidiary of Can-One and as at the Latest Practicable Date, it does not have any subsidiary or associated company.

5. INFORMATION ON THE CAN-ONE GROUP

(b) Changes in Share Capital

Ajcan presently has an authorised share capital of RM200,000 comprising 200,000 Shares. The changes in the issued and paid-up share capital of Ajcan since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Total issued and paid-up share capital RM
25/01/1983	2	1.00	Subscribers' shares	2
17/02/1984	199,998	1.00	Cash	200,000

5.2.3 Information on Canzo

(a) Background

Canzo was incorporated in Malaysia on 9 October 2003 as a private limited company under the Act. It is principally involved in the manufacturing and trading of jerry cans, and related products. Canzo is a wholly-owned subsidiary of Can-One. It commenced business on 23 December 2003. As at the Latest Practicable Date, Canzo does not have any subsidiary or associated companies.

(b) Changes in Share Capital

Canzo presently has an authorised share capital of RM100,000 comprising 100,000 Shares ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital of Canzo since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Total issued and paid-up share capital RM
09/10/2003	2	1.00	Cash	2

5.3 Flotation Exercise

In conjunction with and as an integral part of the Listing, Can-One is undertaking a Flotation Exercise which was approved by the SC (on its own behalf and on behalf of the FIC pursuant to the Guideline on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests issued by the FIC) on 6 April 2005 and the MITI on 20 October 2004 respectively. The Flotation Exercise involved the following:

5.3.1 Subdivision of Shares

On 8 April 2005, the authorised share capital of Can-One of RM100,000,000 comprising 100,000,000 Shares was subdivided into 200,000,000 ordinary shares of RM0.50 each. On 9 April 2005, Can-One's issued and paid-up share capital of RM2 comprising two (2) Shares was sub-divided into four (4) ordinary shares of RM0.50 each by way of subdividing each fully paid RM1.00 ordinary share to two (2) fully paid up ordinary shares of RM0.50 each.

5. INFORMATION ON THE CAN-ONE GROUP

5.3.2 Revaluation

Can-One incorporated a revaluation surplus net of deferred tax amounting to RM264,265 arising from the revaluation of lands and buildings owned by Aik Joo and Ajcan based on their NBV as at 31 December 2003 compared to their respective open market value, as valued by an independent registered valuer, Rahim & Co.

The above revaluation surplus net of deferred tax will be incorporated into the financial statements of the respective companies for the FYE 2005 and the proforma consolidated balance sheets of Can-One for the FYE 2004.

Please refer to Section 13 of the Prospectus for the valuation certificate prepared by the valuer, Messrs Rahim & Co.

5.3.3 Acquisitions

On 8 April 2005, Can-One entered into two (2) conditional share sale agreements with the vendors of Aik Joo, namely Eller Axis and Iska Tenaga, to acquire the entire issued and paid-up share capital of Aik Joo. The purchase consideration of RM65,344,522 was arrived at on a willing buyer-willing seller basis based on the consolidated NTA of Aik Joo as at 31 December 2003 after incorporating the revaluation surplus net of deferred tax amounting to RM264,265. The purchase consideration was fully satisfied by the allotment and issuance of 130,399,996 new Can-One Shares at an issue price of approximately RM0.50 per Can-One Share.

The number of Can-One Shares issued to the respective vendors of Aik Joo is as follows:

Name of Vendor	Shares Held in Aik Joo		Purchase Consideration	No. of Can-One Shares issued
	No.	%	RM	
Eller Axis	7,947,000	79.47	51,929,292	103,628,877
Iska Tenaga	2,053,000	20.53	13,415,230	26,771,119
Total	**10,000,000**	**100.00**	**65,344,522**	**130,399,996**

The Acquisition of Aik Joo was completed on 29 April 2005 when the above Can-One Shares were issued to the respective vendors of Aik Joo pursuant to the Acquisition of Aik Joo. The new Can-One Shares were issued pursuant to the Acquisition of Aik Joo which rank pari passu in all respects with the existing Can-One Shares.

On 8 April 2005, Can-One also entered into two (2) conditional sale and purchase agreements with Aik Joo and Eller Axis to acquire the entire issued and paid-up share capital of Ajcan and Canzo for a total cash purchase consideration of RM1,050,409 and RM2 respectively. The purchase consideration for the Acquisition of Ajcan and Canzo was arrived at a willing buyer-willing seller basis based on the NTA of Ajcan as at 31 December 2003 and paid-up share capital of Canzo respectively. The Acquisition of Ajcan and Acquisition of Canzo were completed on 29 April 2005 when the consideration for the Acquisition of Ajcan and Acquisition of Canzo were satisfied in full.

5.3.4 IPO

To facilitate the Listing, Can-One will undertake a public issue of 22,000,000 new Can-One Share and offer for sale of 33,528,000 Can-One Shares.

Further information on the IPO is set out in Section 3.5 of this Prospectus.

5. INFORMATION ON THE CAN-ONE GROUP

5.3.5 Listing

Upon completion of the IPO, Can-One will seek admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of Can-One of RM76,200,000 comprising 152,400,000 Can-One Shares on the Main Board of Bursa Securities.

5.4 ESOS

In addition to the Flotation Exercise, the Company will also undertake an ESOS which will be implemented after the IPO.

On 27 July 2004 and 7 April 2005, Can-One has obtained the following approvals in relation to the ESOS:

(i) approvals from the Board of Can-One; and

(ii) approval-in-principle from Bursa Securities on the listing of such new additional Can-One Shares representing up to fifteen percent (15%) of the issued and paid-up share capital of Can-One of to be issued pursuant to the exercise of Options under the ESOS.

The ESOS will be for a duration of ten (10) years and the maximum number of Options that may be granted to ESOS Eligible Employees, including the non-executive Directors, under the ESOS shall not exceed fifteen (15)% (or such other higher percentage as may be permitted by the relevant regulatory authorities) of the total issued and paid-up share capital of the Company at any time during the existence of the scheme in accordance with terms and provisions set out in the ESOS Bye-Laws.

The non-executive Directors of Can-One who are eligible for the ESOS are as follows:

Name	Designation
William Maurice Samson	Independent Non-Executive Chairman
Yeoh Jin Beng	Non-Independent Non-Executive Director
Yusof Annuar Bin Yaacob	Non-Independent Non-Executive Director
Razmi Bin Alias	Non-Independent Non-Executive Director
See Ewe Lin	Independent Non-Executive Director

The Subscription Price shall be calculated in the following manner:

(a) where the Option is granted prior to Can-One being listed on Bursa Securities, then the price at which the Option Holder is entitled to subscribe for the Can-One Shares shall not be less than the price of the Shares set for the Public Issue/Offer Price in relation to the listing of and quotation for Can-One Shares on Bursa Securities; and

(b) where the Option is granted on or after Can-One is listed on Bursa Securities, the price at which the Option Holder is entitled to subscribe for the Can-One Shares shall be at a price to be determined by the Board upon the recommendation of the Options Committee which is at a discount of not more than ten percent (10%) from the five (5)-day weighted average market price of Can-One Shares as at the Offer Date subject to such adjustments in accordance with Clause 15 as set out in the Bye-Laws, provided that the Subscription Price shall in no event be less than the par value of the Can-One Shares.

The new Can-One Shares to be allotted upon any exercise of the Options shall, upon allotment and issue, rank pari passu in all respects with the existing issued and fully paid-up Can-One Shares and subject to all the provisions in the Articles of the Company save and except that the new Can-One Shares shall not be entitled to any dividends, any rights, including those arising on a liquidation of the Company or the subsidiaries which are not dormant, allotments and/or other distributions declared or paid to shareholders prior to the date of allotment of the new Can-One Shares. For the purpose hereof, entitlement date means the date at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions.

The draft ESOS Bye-Laws are set out in Section 14 of this Prospectus.

5.5 Business Overview

5.5.1 Principal Products

The Can-One Group is principally involved in the manufacture of tin cans and jerry cans. There are many forms and types of packaging material, such as aluminium cans, glass jars and containers, polyethylene plastic bottles (PET), paper, board packaging or corrugated paper. The tin cans produced by the Group are mainly used by the food industry producing products such as edible oils, cereals, biscuits and milk powder, whilst others are used for industrial products such as motor oils, lubricants, paints and chemicals.

(i) Tin Cans

Despite the introduction of new packaging materials in recent times, tin cans generally remain a modern, cost-effective and safe means of packaging for food, beverages, chemicals and other consumer products. Tin cans are basically functional and convenient in terms of food preservation and are generally leak-proof and resistant to external factors such as light, climatic fluctuations, impact and pressure. In addition, used tin cans are fully recyclable and hence, considered to be more environmental-friendly.

The manufacture of tin cans is carried out by Aik Joo. At present, Aik Joo offers a variety of tin can shapes and sizes to its customers as follows:

- small round cans measuring 54mm in diameter and 50mm in height;
- square cans measuring 235mm in length and width and 380mm in height; and
- edible oil drums measuring up to 291mm in diameter and 375 mm in height.

Factors that differentiate the Group from other market players in the manufacturing of tin cans are as follows:

(a) Specialisation in manufacturing tin cans for the edible oil and food industry

The Group manufactures tin cans mainly for the food industry which includes edible oil, biscuits, milk powder and cereals. This is evidenced by its major customers such as Delima Oil Products Sdn Bhd (a subsidiary of Felda Holdings Berhad), Pasir Gudang Edible Oils Sdn Bhd and Promac Enterprise Sdn Bhd contributing 28.69% of the total revenue for the FYE 2004 collectively. The Group's total revenue for edible oil cans (inclusive of export cans) for the FYE 2004 was RM82.86 million which represents 67% of the Group's total revenue for the FYE 2004.

The edible oil and food industry are mainly inelastic in nature, as food is a basic human necessity. Some food products such as biscuits and cereals are subject to increased demand of customers during the festive season.

5. INFORMATION ON THE CAN-ONE GROUP

Further, the Group, via its customers, is a participant in the United Nations World Food Programme which provides food aid to the needy in sub-Saharan Africa, the Middle East, Latin America and Asia, as well as to victims of war, natural and man-made disasters. In this respect, Aik Joo indirectly produces edible oil cans for the United Nations and the finished products are exported to Afghanistan, Iraq and the African continent.

(b) Logistics

Most of the customers of the Group are located within the 10 km radius from the Group's factories as follows:

Location of factory	Name of customers
Mak Mandin (two factories)	Wilmar Edible Oils Sdn Bhd; Khong Guan Vegetable Oil Refinery Sdn Bhd; Cereal Products (M) Sdn Bhd; Khian Guan Biscuit Manufacturing Co. Sdn Bhd; Soon Soon Oil Mills Sdn Bhd; and Federal Oats Mills Sdn Bhd.
Pasir Gudang	Pasir Gudang Edible Oils Sdn Bhd; Pan Century Edible Oils Sdn Bhd; Inno-Wangsa Oils & Fats Sdn Bhd; Lee Biscuits Pte Ltd.; Ngo Chew Hong Pte. Ltd.; Promac Industries (Johor) Sdn Bhd; and Hwa Tai Food Industries Berhad.
Teluk Panglima Garang	Golden Jomalina Food Industries Sdn Bhd; Lam Soon Edible Oils Sdn Bhd; Intercontinental Specialty Fats Sdn Bhd; and Alami Vegetable Oil Sdn Bhd.
Pandamaran	Delima Oil Products Sdn Bhd (a subsidiary of Felda Holdings Berhad); Promac Enterprise Sdn Bhd; Continental Resources Sdn Bhd; and Cargill Palm Products Sdn Bhd.

The close vicinity with its customers enables the Group to reach its customers faster and thus reduce transportation costs. Further, the proximity with the customers allows the Group to foster closer relationship with its customers and be more able to serve its customers.

(c) Faster response time

Due to its logistics advantage, the Group strives to achieve a fast response time compared to its competitors where most delivery of products is targeted to be carried out within one (1) day. Further, such just-in-time delivery enables its customers to reduce storage required for cans as tin cans and jerry cans are bulky and consume higher storage space.

5. INFORMATION ON THE CAN-ONE GROUP

(d) Capacity

Based on the Independent Market Research Report, the Group has the largest production capacity for 17-kg tin cans compared to its main competitors, namely Kian Joo Can Factory Berhad and Johore Tin Berhad. 17-kg tin cans are commonly used for oil packaging for the export market due to cheaper packaging costs as compared to smaller tin cans. Further, the Group has five (5) factories, two (2) located at Mak Mandin and one (1) each at Pasir Gudang, Pandamaran and Teluk Panglima Garang respectively. The geographical spread of the factories enables the Group to mobilise the supply of cans in the event of shortage of production at any particular factory.

For the FYE 2004, the Group's total production for tin cans and jerry cans yield a capacity utilisation of approximately 39% and 74% respectively.

The output capacity and market share of the Group and its competitors for the year 2003 in relation to 17-kg tin cans are set out below:

Company	Output Capacity ('000)	Market Share (%)
Aik Joo	11,520	70.6
Johore Tin Berhad	2,640	16.2
Kian Joo Can Factory Berhad	1,920	11.8
Others	240	1.5
Total	16,320	100

(Source: Independent Market Research Report)

(e) Reduced dependency on logistics providers

The Group maintains its own fleet of lorries to ferry finished tin cans between its factories and its customers. At present, the Group has a total of thirty (30) lorries of various sizes and will deliver tin cans to its customers any time of the day at the request of its customers, if there is a shipment deadline to be met. In this regard, the Group is able to reduce reliance on other logistics providers, especially during the festive period, and reduce transportation costs. It also assures the customers of the Group of prompt and certain delivery.

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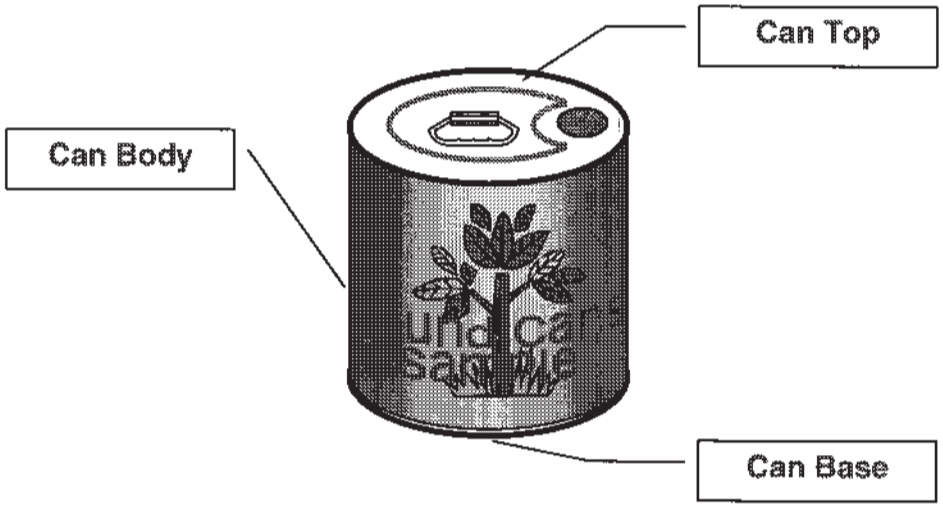
5. INFORMATION ON THE CAN-ONE GROUP

The Group manufactures tin cans of the "three-piece" type, which is commonly used to contain food as well as paints and chemicals. The three-piece can is basically made up of three (3) separate pieces, namely, the can body, top lid and bottom end, as shown in the diagram below:



(ii) Jerry Cans

As an initial step to further establish itself in the longer term as a major player supporting the edible oil and food industries and not confined to tin cans, the Group ventured into the manufacture of jerry cans and related products at the end of 2003. Jerry cans are another form of packaging materials. The major raw material required in the manufacture of jerry cans is high – density polyethylene (HDPE) resin. HDPE resin is versatile, flexible, strong, lightweight, impermeable and stable. These jerry cans are suitable for industrial uses to contain liquid materials as they are sufficiently large, durable and handy. Jerry cans may be used in industries such as edible oil, chemical, lubricant, agriculture, aquaculture, etc. The Group currently supplies these cans to the edible oil industry.

The competitive edge of the Group in the manufacturing of jerry cans is as follows:

(a) Existing customer base of the Group

By leveraging on the existing customer base for tin cans, the Group is able to offer alternate packaging material to its customers and to secure jerry can sales from customers who are currently sourcing jerry cans from other suppliers. In this regard, the Group is able to retain and gain greater access to its customers.

(b) Higher production capacity

As at to-date, the Group has installed eighteen (18) production lines for its jerry cans in Mak Mandin, Teluk Panglima Garang and Pasir Gudang. The geographical spread of location and ability to produce in large quantities will enable the Group to compete with its competitors as well as to meet the increased demands of its customers.

(c) Ability to meet customers' orders

Due to its higher production capacity of eighteen (18) production lines as described above and its ability to hold stock of raw materials for at least one (1) month, the Group is able to meet its customers' orders promptly and efficiently. In this respect, customers' orders can be executed immediately, regardless of the quantity of jerry cans which have been ordered.

5.5.2 Automated Production

The Can-One Group has both semi-automatic and fully-automatic productions lines for its products. The Group has, over the years, strived to continuously improve and upgrade its production processes and machinery to remain competitive.

As at the Latest Practicable Date, Aik Joo has twenty-two (22) fully automated production lines producing various types of tin cans such as round cans, square cans, and rectangular cans. The distinct advantages of automation are the high levels of efficiency, effectiveness and quality, while the wastage level is maintained at a minimal level. These are the critical factors that would ultimately determine the performance of any manufacturing concern. The machines sourced by the Group for its production processes include machines from Europe, Taiwan and People's Republic of China.

Automated processes and machines usually offer maximum precision which reduces variation, great flexibility to cover a wide range of product specifications, ergonomics which allow optimal handling, adequate safety features which minimise the risks of possible injury, and quick retooling feature which enables minimal changeover time. More advanced automated processes and machines would have a central computer operating and diagnostic system which controls and checks all electrical components (such as sensors, electronic measuring systems, pressure monitors for lubrication system, valves, etc.) individually to ensure they are always fully functional whilst information on malfunctions and aids to trouble-shooting are displayed automatically.

5.5.3 Brand Names, Patents, Trademarks, Licences, Technical Assistance Agreements, Franchises and Other Intellectual Property Rights

Aik Joo had made applications to register its industrial design for jerry cans and biscuit tins to the Industrial Design Registration office under the Ministry of Trade and Consumer Affairs on 10 July 2003 and 22 September 2003. These applications were approved on 7 June 2004 and 2 June 2004 respectively and are valid for a period of five (5) years from the date of registration.

Aik Joo had also made four (4) further applications to register its industrial design for jerry cans and biscuit tins to the Industrial Design Registration office under the Ministry of Trade and Consumer Affairs on 9 September 2004, 7 October 2004, 28 March 2005 and 31 March 2005 respectively. As at the Latest Practicable Date, these applications are pending approvals.

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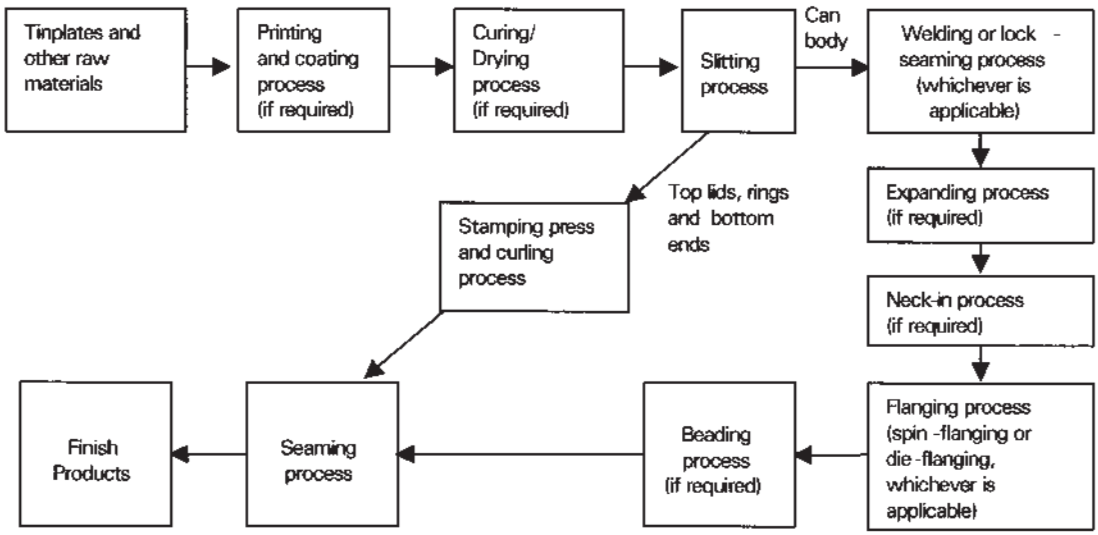
5. INFORMATION ON THE CAN-ONE GROUP

5.5.4 Production Process

(i) Tin Cans

The flow chart below illustrates the main production process of the tin cans:



The production process of the automated lines for the manufacturing of tin cans, is summarised under the following main categories:

Coating and Printing Process

The tinplates are decorated with specified graphic designs and colours during the printing process.

Tinplates are coated with a base colour according to the specifications of the customer. Subsequently, the coated tinplates are cured, or dried, in an oven at 160-180 degree Celsius.

During the printing process, the printed tinplates are cured again in the oven, and then varnished to provide a protection layer to the printed tinplates to protect them against scratches. The varnished tinplates are then cured again in the oven. The same technique applies to tinplates which require lacquering, whereby the tinplates would be cured in the oven after being coated with lacquer.

Curing or Drying Process

The curing or drying process serves to dry tinplates which have been coated or printed with uniformly distributed circulation of hot air and stable temperature.

Slitting Process

In the slitting process, the original or printed tinplates are cut into smaller pieces before being shaped into tin cans.

Welding or Lock-seaming Process

After the slitted tinplates are formed into the shape of a cylinder, the top and bottom lids of the tin can are attached to the can body by way of welding or lock-seaming whereby the two (2) overlapping edges of the can body are joined together. Subsequently, a side-stripe lacquer is applied to the both sides of the welded joint to prevent rusting. The welding process uses electricity current whereas the lock-seaming process uses a technology which reduces any gap at the tin joint to enable the printed designs to be joined smoothly.

Expanding Process

The expanding process converts a cylinder-shaped can into a rectangular-shaped can, where the metal is stretched beyond its elastic capacity.

Neck-in Process

The neck-in process is an optional process which reduces the diameter of the ends of the can body in order to improve the stacking ability of the tin can. In this process, calibrating tools move axially relative to the other to reduce the body diameter of the can whilst avoiding unnecessary wrinkles.

Beading Process

Tin cans may also undergo the beading process, which is optional, depending on customer's specifications. The tin cans will pass through a beading machine where the body walls will have circumferential beads formed in it, to give added strength and stability to the can.

Flanging Process

Flanging is an important preliminary step prior to the seaming process. Here, the flanger will bend the top and bottom of the can body into a hook shape in preparation for the seaming process.

Stamping Press and Curling Process

The stamping press is used to make top lids, rings and bottom ends. Here, the slitted tinplates are punched using the press machine and then curled using the curling machine. After that, a sealing compound is applied to the curled edges, giving an air-tight seal to the final cans.

Seaming Process

The seaming process is the final process before delivery where the top lid and/or bottom lid are seamed to the can body by interlocking the curls of the lids and the ends with the flange of the can body and then ironed to form a tight lock.

(ii) Jerry Cans

The major raw material for jerry cans is high density polyethelene (resin), which will be mixed thoroughly with masterbatch (the colouring pigment). This mixture will then be loaded into the blow moulding machine where it will be melted and blown into the required shape. The jerry can will undergo a quality control check immediately before the jerry can hardens. The jerry cans will undergo a process of silk printing, if required, or stickers will be pasted.

5. INFORMATION ON THE CAN-ONE GROUP

5.5.5 Sources and Availability of Raw Materials

Raw materials for the production of tin cans include tinplate, lining compound, copper wire, lacquer and printing ink.

For the FYE 2004, the Group sources approximately 65% of tinplate from Perstima (being the sole manufacturer of tinplates in Malaysia). The Group negotiates on prices with Perstima on a quarterly or half-yearly basis to take into account the occasional change in prices in line with world prices. Supply of tinplates has been adequate so far. However, the Group also imports up to 30% of tinplate from overseas suppliers in Singapore, South Korea and the United States, as set out in Section 5.8.

Meanwhile, the Group sources resin from its four (4) key suppliers, namely Chevron Phillips Singapore Chemicals Pte. Ltd., Sumikeng (Malaysia) Sdn Bhd, Commercial Plastic Industry Sdn Bhd and Polyethelene (M) Sdn Bhd. The Group maintains enough buffer resin stocks to cater for one (1) month's production needs.

Lacquers are available locally as well as from overseas, such as Singapore and Thailand. There is minimal price difference between the local and overseas suppliers.

5.5.6 Market Position

There are currently no official statistics available on the value of the tin can manufacturing industry in Malaysia. However, based on the Independent Market Research Report, the tin cans industry in Malaysia was RM880 million in 2003 and estimated to be RM1.067 billion in 2004 respectively. For the FYE 2004, the Can-One Group recorded sales of approximately RM123 million. Based on the Independent Market Research Report, the current main market players in the tin cans manufacturing industry are Kian Joo Can Factory Berhad, Aik Joo and Johore Tin Berhad. The Can-One Group is perceived to be among the top three (3) largest tin cans manufacturers in Malaysia in terms of estimated output capacity per annum. *(Source: Independent Market Research Report).*

To maintain its market position, the Group has intensified its efforts to have a wider reach through the setting-up of an additional factory to manufacture tins cans and jerry cans to service some of its clients' needs.

5.5.7 Principal Markets

The principal markets for Can-One's products are the food industry, namely, refiners of edible oil, manufacturers of biscuits, cereal and milk powder whilst others are in the industrial sector, namely, manufacturers of paint and chemical products.

The percentage of contributions by major types of food products using the Group's tin cans are set out below:

	FYE 2000	FYE 2001	FYE 2002	FYE 2003	FYE 2004
Edible Oil	64.4%	74.0%	73.0%	68.2%	77.8%
Cereal	15.3%	13.5%	15.9%	18.1%	11.2%
Biscuits	4.9%	2.8%	4.6%	5.9%	5.3%

The Group also exports edible oil tin cans to Vietnam, Singapore, Cambodia and recently, paint cans to New Zealand. For the FYE 2004, the Group's total exports to Vietnam, Singapore and Cambodia amount to RM8.49 million or 6.89% of the Group's total revenue.

5. INFORMATION ON THE CAN-ONE GROUP

5.5.8 Quality Control Procedures

The Group practices strict quality control over its tin cans to ensure consistent and high quality products to ensure customers' satisfaction. The quality control procedures carried out for each of the manufacturing processes are as follows:

a) Printing Process

A visual check is carried out on the coating, varnishing and lacquering processes. For the curing processes, the tape test is used to ensure that the coat and print are fully cured and impressed on the tinplates. As for the printing process, colour comparisons will be made with approved master copy.

b) Slitting Process

Tin cans which have undergone the slitting process will be measured and visually checked before undergoing the seam-locking or welding process.

c) Body and Can Forming Process

Tin cans would undergo a tear test by using a pair of pliers to check the strength of the joint once the body is seam-locked or welded. Acid tests are used to test the integrity of the side-stripe lacquered joint. Visual checking is done after the curing process, expanding process and neck-in process. Meanwhile, vernier callipers are used to test for beading depth and flange width after the beading and flanging process. Grip pliers are used to test cans with ear spot and wire handle. Further, the seamed lid/end and body would undergo a double-seam specification test to ensure that the curl and flange have been firmly seamed.

d) Ends/Lids Forming Process

The punched ends/lids of a tin can are visually checked for punching quality. Next, the hooked edges are checked by measuring the curl's diameter and height. Visual checking is also carried out for the position of the wire handle on cans with wire handles while for lids with the flex spout, measurements will be done on the diameter and position of the flex spout. Finally, the compound lining of the can is checked by weighing the compound film weight and visual checking on its distribution.

Quality control procedures performed on jerry cans include physical inspection of the colour of jerry cans, drop test and stacking test to examine the strength of the jerry cans. The thickness of the jerry can is also measured on a sampling basis. The weight of the jerry can is checked to ensure that it conforms with customers' requirements.

5.5.9 Interruptions to Operations

There has been no material interruption to the Can-One Group's business or operations in the past twelve (12) months.

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5. INFORMATION ON THE CAN-ONE GROUP

5.5.10 Employees

As at the Latest Practicable Date, the Group has 633 employees comprising 358 local employees and 275 foreign employees.

Generally, the Group's employees can be categorised as follows:

Category	Can-One Group	
	Number of Employees	Average length of services (years)
Executive Directors	2	*15
General Managers/Secretary	3	6
Managers	11	18
Executives	8	8
Officers	5	11
Senior Clerks	14	4
Supervisors	27	8
Production Line Leaders	47	8
Workers/Clerical staff	516	3
Total	**633**	

Note:

* Includes the length of service of Mr Yeoh Jin Hoe who has served the Group for over a year.

None of the employees of the Group belong to any unions. Further, there is and has been no labour or industrial dispute in the past.

The Group does not employ a significant number of contractual/temporary employees as they are only employed during peak periods as additional back-up.

The Can-One Group provides constant training and development programmes for its employees which includes in-house workshops and external training courses to encourage overall productivity and efficiency. The courses which the staff have participated in include management courses, information technology (IT) training and planning and control courses.

5.5.11 Key Achievements/Milestones

Aik Joo has in 2002 embarked on an ISO 9001 project and its Teluk Panglima Garang Branch had achieved ISO 9001:2000 status from BM Trada Certification Ltd in 2002. The Group plans to engage in ISO projects for all its other factories in the foreseeable future.

5.5.12 Modes of Marketing and Distribution

The marketing and promotion activities undertaken by the Group are led by the senior management team of the Group and actively promoted by its team of marketing personnel. The Group essentially markets its products directly to its customers and are able to price its products competitively. Its pool of clients has over the years been built up through networking amongst its business associates, customers and suppliers.

Some of the key points marketed by the Group are its reliability in delivering quality and consistent products, its efficient distribution network with timely deliveries as well as the capability and flexibility of the Group to meet its customers' requirements. The long-term customer relationships which the Group has are a strong testimony of the Group's reliability.

5. INFORMATION ON THE CAN-ONE GROUP

In terms of distribution network, the Group strives to respond quickly to its customers' demands. The delivery time is further shortened as the Group distributes directly from its factories to its customers' premises. For its local and Singaporean clients, the Group distributes the tin cans through road transport whilst for the overseas clients in Vietnam, Cambodia and New Zealand, distribution is through sea transport.

5.5.13 Production Capacity and Capacity Utilisation

As at 17 June 2005, the Group's estimated output capacity and capacity utilisation is illustrated below:

Description	Mak Mandin	Pandamaran	Teluk Panglima Garang	Pasir Gudang	Total no. of lines	Capacity per line in pieces per hour
Printing & coating line						
Coater line complete with oven	1	-	1	1	3	4,000 sheets
Printing line complete with oven	2	-	2	2	6	3,000 sheets
Can assembly line						
209/211 round can (auto)	1	-	-	-	1	4,500
309 round can (auto)	1	-	-	-	1	4,500
401 round can (auto)	2	-	1	-	3	4,000
502 round can (auto)	1	-	-	-	1	1,800
603 round can (auto)	1	-	-	-	1	1,800
300 round can (auto)	1	-	-	-	1	4,500
17kg square can (auto)	2	3	2	2	9	1,000
3 kg rectangular can (auto)	-	-	-	1	1	1,200
3 litre rectangular can (auto)	-	-	-	1	1	1,200
5kg rectangular can (auto)	2	-	-	3	5	1,200
Drum (semi-auto)	-	-	-	2	2	200
Rectangular can (semi-auto)	2	1	1	-	4	420
Round can (semi-auto)	2	1	1	1	5	420
Jerry can lines	5	-	7	6	18	60

The Group has the capacity to cater for additional output demand. Based on the above analysis, out of the estimated total capacity for tin cans of 126.5 million units per annum (assuming a single eight (8)-hour shift per day), approximately 49.84 million units have been produced during the FYE 2004 yielding a capacity utilisation of about 39%. In addition, out of the estimated total capacity for jerry cans of 3.52 million units per annum (assuming three (3) eight (8)-hour shifts per day) in the FYE 2004, approximately 2.60 million units per annum have been produced during the FYE 2004 yielding a capacity utilisation of about 74%.

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5. INFORMATION ON THE CAN-ONE GROUP

5.5.14 Location

The location of production facilities and place of business of the Can-One Group are as follows:

i) **Telok Panglima Garang**
Lot 2244, Jalan Rajawali, Batu 9
Kampung Kebun Baru
42500 Telok Panglima Garang
Kuala Langat, Selangor Darul Ehsan
Tel: 60 (3) 31 22 19 88
Fax: 60 (3) 31 22 21 88
E-mail: ajctpg@aikjoo.com.my

ii) **Mak Mandin**
4829 Tingkat Mak Mandin Lima
Mak Mandin Industrial Estate
13400 Butterworth, Penang
Tel: 60 (4) 33 14 560
Fax: 60 (4) 33 23 345
Email: sales1@aikjoo.com.my

iii) **Port Klang**
Lot 1, Persiaran Raja Lumu
Pandamaran Industrial Estate
42000 Port Klang
Selangor Darul Ehsan
Tel: 60 (3) 31 67 66 70
Fax: 60 (3) 31 67 50 01
E-mail: ajcpdm@aikjoo.com.my

iv) **Pasir Gudang**
Plot 323A, Jalan Suasa
Kawasan Perindustrian Pasir Gudang
81700 Pasir Gudang
Johor Darul Takzim
Tel: 60 (7) 25 23 812
Fax: 60 (7) 25 23 810
E-mail: ajcjb@aikjoo.com.my

v) **Mak Mandin**
5888 Lorong Mak Mandin 7
Mak Mandin Industrial Estate
13400 Butterworth, Penang
Tel: 60 (4) 33 14 560
Fax: 60 (4) 33 23 345

The production facilities and business premises are strategically located with close proximity to some of its major customers in the Penang, Johor and Selangor region, thus improving both its operating efficiency and delivery times.

On 27 October 2004, Aik Joo had accepted the Letter of Offer to purchase the Land for a total consideration of approximately RM3.73 million. The Land is located at Lot PLO 718 Zone 12, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor Darul Takzim. In addition to the above, Aik Joo had on 28 January 2005 entered into a sale and purchase agreement with Shaldan (Malaysia) Sdn Bhd to acquire a piece of land and building for a total cash consideration of RM2.45 million. The said land and building are situated on H.S.(D) 15642 P.T. No. 1427 Mukim 14, Daerah Seberang Perai Utara. The above acquisitions were acquired for future expansion purposes.

5.6 Industry Overview

Tin cans manufacturing is a component of the packaging industry and generally, is closely linked to the overall performance of the country's economy as well as the global economy. In view of the diversified nature of the customers' businesses, the industry assessment will thus, include an assessment of these various sectors, namely, manufacturing, construction (which affects the paint segment) and services sector (which includes, among others, wholesale and retail trade, hotel and restaurants and other services) as further explained in the ensuing sections.

5. INFORMATION ON THE CAN-ONE GROUP

5.6.1 The Malaysian Economy

With more robust growth in global trade and domestic demand, the momentum of economic growth in Malaysia, which began in the second half of 2003, gathered pace in 2004. Real gross domestic product (GDP) increased by 7.1% in 2004 (2003:5.3%), the fastest growth since 2000. The economy benefited from the rapid growth of global trade in manufactures and higher prices for primary commodities. Although global growth moderated somewhat in the second half of the year, the Malaysian economy remained resilient with stronger domestic demand providing the impetus for sustained expansion. The private sector was the main force of economic expansion, while the Government continued with fiscal consolidation.

The improvement in the economy was reflected by positive growth across all sectors expect construction. The main drivers of growth were the manufacturing, services and primary commodities sectors. Value added in the manufacturing sector expanded strongly by 9.8%, as output growth in both export-and domestic-oriented industries reflected stronger external and domestic demand for manufactured goods. In the export-oriented industries, the strongest output expansion was seen in the electronics industry, benefiting from the upturn in the global semiconductor cycle. However, the high production during the earlier part of the year led to some inventory accumulation, which led more moderate expansion in the second half of year 2004. In addition to strong growth in the electronics industry, growth was reinforced by sustained external demand for resource-based products such as chemical, rubber and wood products. Growth in the domestic-oriented industries was supported by strong demand for resource-based products such as chemical, rubber and wood products. Growth in the domestic-oriented industries was supported by strong demand in the fabricated metal products industry and a turnaround in the transport equipment industry. The favourable performance of the manufacturing sector was also reflected in the stronger expansion in manufactured exports (19.7%) and sustained high capacity utilisation level (79%), in spite of investments in new capacity during the year.

(Source: Bank Negara Malaysia 2004 Annual Report)

The performances of the main sectors of the economy and the real GDP of the country for the past five (5) years are illustrated as follows:

Year **Year-on-Year growth**	**1999** **%**	**2000** **%**	**2001** **%**	**2002** **%**	**2003** **%**	**2004** **%**
Construction	-5.6	1.0	0.1	2.3	1.9	-1.9
Agriculture, livestock, forestry and fishing	3.8	0.6	0.2	3.0	5.7	5.0
Manufacturing	13.5	21.0	-2.0	4.0	8.3	9.8
Mining and quarrying	-3.1	3.1	0.1	3.7	5.9	4.1
Services	3.3	4.8	3.1	4.1	4.4	6.7
Real GDP	**5.8**	**8.3**	**0.4**	**4.1**	**5.3**	**7.1**

(Sources: Economic Report 1997/1998 to 2003/2004, and Bank Negara Malaysia Monthly Statistical Bulletin January 2005)

Note:
Services sector comprises the following sub-sectors: Electricity, gas and water; Transport, storage and communications; Wholesale and retail trade, hotel and restaurants; Finance, insurance, real estate and business services; Government services and other services.

Going forward, the global economic expansion is expected to be sustained at a steady pace in 2005. The pace of slowdown in the United States and People's Republic of China is expected to be moderate. While the global electronics industry is consolidating after reaching a peak in mid-2004, the downcycle is forecast to be modest in view of the continued global demand, more rapid inventory adjustments and relatively low inventory levels. The impact of the tsunami is estimated to be minimal and short term, confined to the tourism and fishery industries in selected areas in the affected countries. The growth prospect for Malaysia, therefore, remains favourable in 2005. The sustained increase in the Leading Index in November 2004 suggests that economic growth momentum will be maintained into 2005. Growth would be driven by the private sector as the public sector consolidates its fiscal position.

(Source: Press Release by Bank Negara Malaysia 28th February 2005 "Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2004")

5.6.2 Performance of the Related Sectors

Manufacturing Sector

The manufacturing sector recorded another strong double-digit expansion in 2004, with output growth strengthening to 12.7% (2003:10.5%). The robust performance was supported by the positive external environment following stronger growth in both the industrial and regional countries, and further reinforced by improved domestic demand. Growth was more pronounced in the first half-year (16.1%; second half-year:9.6%), fuelled by strong demand for electronics, in line with the upward momentum in the global semiconductor cycle. Growth during the year was also underpinned by strong export demand for resource-based products including rubber, chemicals and wood. In the domestic-oriented industries, growth was led by a turnaround in the transport equipment industry and robust expansion in the fabricated metal industry, which more than offset the moderation in the construction-related materials industry. Consequently, growth in both the export-oriented and domestic-oriented industries strengthened to 14.2% and 7.1% respectively in 2004 (2003:11.9% and 6.1% respectively).

In tandem with the significant expansion in production, overall value added growth of the manufacturing sector in 2004 strengthened further to 9.8% (2003:8.3%). The manufacturing sector remained as the leading driver of economic growth, with its contribution to GDP increasing from 30.8% in 2003 to 31.6% in 2004. Amidst the strong output growth, the overall capacity utilisation rate in the manufacturing sector was marginally lower at 79% in 2004 (2003:80%), due to additions in capacities in selected industries. The capacity utilisation rate for export-oriented and domestic-oriented industries stood at 81% and 75% respectively (2003:82%) and 76% respectively.

(Sources: Bank Negara Malaysia 2004 Annual Report, Third Outline Perspective Plan 2001-2010)

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Indicator	2000	2003	2005	8th Malaysian Plan Target		2001-2003	2004-2005
				Original	Revised		
Manufacturing Value Added [2]	67,250	70,225	81,651	459,488[1]	356,379[1]	199,479[1]	156,900[1]
Annual Growth Rate (%)	18.3	6.5	8.5	8.9	4.0	1.5	7.8
Share to GDP (%)	32.0	30.6	31.7	35.5	30.8	30.3	31.4
Share to Total export (%)	85.2	83.0	84.0	88.5	84.0	84.2	83.6
Share to Total Employment (%)	27.6	27.9	29.3	29.5	29.3	27.3	28.9

Note: [1] Cumulative figures
[2] RM million in 1987 prices

(Source: Mid-Term Review of the Eighth Malaysian Plan)

The main contributor in terms of value-added in the manufacturing sector was the non-resource-based industries, which contributed 54.7% to total manufacturing value-added in 2003. The major contribution came from the electronics sub-sector. Meanwhile, the resource-based industries contributed 43.4% to total manufacturing value-added in 2003 and grew 2.6% per annum during the mid-term review period.

(Source: Mid-Term Review of the Eighth Malaysian Plan)

While the Severe Acute Respiratory Syndrome outbreak had affected consumer demand, the Economic Package introduced in May 2004 helped to stimulate domestic demand and support growth of the domestic-oriented industries (+6.1%). Of significance, growth strengthened in the fabricated metal products, construction related materials and food and beverages industries. These industries benefited largely from the improved domestic demand and continued growth in the construction sector.

(Source: Third Outline Perspective Plan 2001-2010)

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5. INFORMATION ON THE CAN-ONE GROUP

5.6.3 Tin Can Manufacturing Industry

(i) Overview of Tin Can Manufacturing Industry in Malaysia

The market size for tin cans in Malaysia was recorded at RM880 million in 2003. It is projected to expand to about RM1.4 billion in 2008, yielding a compounded annual growth rate (CAGR) of 7.1% during the forecast period. There are approximately 25 to 30 players in the Malaysian tin cans manufacturing industry, with the three largest players collectively sharing approximately 48.0 percent of the revenues from this market in 2003.

(Source: Independent Market Research Report)

Production of Tin Cans and Metal Boxes

Year	Tin Cans and Metal Boxes ('000 units)	Growth (%)
1993	1,182,213	-
1994	1,318,617	11.5
1995	1,590,660	20.6
1996	1,364,169	(14.2)
1997	1,641,957	20.4
1998	1,299,346	(20.9)
1999	1,332,962	2.6
2000	1,409,577	5.7
2001	1,507,677	7.0
2002	1,662,511	10.3
2003	1,761,351	6.0

(Source: Extracted from the Independent Market Research Report based on information from the Department of Statistics: Monthly Manufacturing Statistics, December 2003 Issue)

Production of tin cans (and metal boxes) has been growing at a compounded annual growth rate of 4.1% during the period 1993-2003 as shown in the table above. After a significant contraction in 1998 due to the Asian economic crisis, production of tin cans (and metal boxes) has recovered and been posting positive growth rates since. Reflecting the economic upturn and consumer spending recovery, production of tin cans grew at a compounded annual growth rate of 7.2% during the 1999-2003 period.

(Source: Extracted from the Independent Market Research Report based on information from the Department of Statistics: Monthly Manufacturing Statistics, December 2003 Issue)

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5. INFORMATION ON THE CAN-ONE GROUP

(ii) Future Prospects of the Industry

The following has been extracted from the Independent Market Research Report:

The prospects of the Group's business in the tin can manufacturing industry are largely dependent on the future growth of the sub-sectors which its customers are based. The cumulative growth pattern of these sub-sectors may be further analysed to ascertain the future prospects of tin can manufacturing and its likely impact on the Can-One Group:

The market for tin cans is highly dependent on the production level of its key-end users, namely edible oils, processed foods (pineapples, canned fish, sweetened condensed milk), dry foods (milk powder, cereals, biscuits), beverages, and industrial products (paints and coatings, motor oils and lubricants), food and beverage industry as well as the industrial (paints and coatings) industry. However, the increase in the demand of the products of key-end users may not necessarily lead to corresponding increases in demand for tin cans as the industry has started shifting to alternative packaging materials, for example, motor oils and lubricants.

The positive outlook for various end-user products will be contributing to the growth of the tin cans industry, in particular, growth in the edible oils, processed foods and liquid milk industry which collectively is estimated to consume approximately 50% of the market for tin cans in 2002 (based on weight). The increasing demand for dairy products, processed food such as canned fish and industrial products such as paints and coatings, as well as the steady levels of production of biscuits will also augur well for the tin cans industry.

The cumulative growth pattern of these sub-sectors may be further analysed to ascertain the future prospects of tin can manufacturing and its likely impact on the Can-One Group:

(a) Robust Palm Oil Industry

The value of exports of palm oil finished products increased by 11.0% to RM538.8 million in 2003. The major finished products exported were shortening, vegetable ghee/ vanaspati, cocoa butter substitute/replacer/equivalent, vegetable/ dough fats and margarine. Shortening and vegetable ghee/ vanaspati accounted for 60.2% and 24.4% of the total exports respectively.

Whilst there is some preference for PET bottles for packing edible oils including palm oil, this is largely restricted to the smaller sizes (common sizes include 500 ml, 1 litre, 2 litres). Tin cans are still the preferred option for large quantities especially for the export markets. We believe that any shift towards other substitute packing materials can be easily offset by the growth of the overall palm oil volumes.

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Export of Major Finished Palm Oil Products by Malaysia (Tonnes), 2002 – 2003

	2002	2003	% Growth
Vegetable Ghee/Vanaspati	102,233	63,457	(37.9)
Shortening	118,827	156,044	31.3
Vegetable/Dough Fats	11,926	13,867	16.28
Margarine	8,138	8,328	2.33
Cocoa-Butter Subs/Replacer/Equivalent	13,817	11,446	(17.16)
Soap	2,713	4,314	59.01
Red Olein	1,412	1,082	23.37
Prayers Oil	197	430	(118.27)
Others	687	506	(26.35)
Total (Tonnes)	259,950	259,474	(0.18)
Total (RM million)	485.4	535.7	10.36

(Source: Malaysian Palm Oil Board)

The Can-One Group is currently exporting to Singapore, Vietnam, Cambodia and New Zealand but intends to seek new growth markets through its competitive pricing. In order to reduce its production cost further and obtain greater cost efficiencies, the Group is investing in more automated machines to reduce its labour cost and also to increase its output efficiency.

(b) Production of Biscuits in Malaysia

Year	Biscuits (metric tonnes)	Growth (%)
1994	99,503	6.1
1995	108,810	9.4
1996	114,878	5.6
1997	107,017	(6.8)
1998	109,306	2.1
1999	122,380	12.0
2000	117,886	(3.7)
2001	112,055	(4.9)
2002	114,886	2.5
2003	124,288	8.2
2004	132,737	6.8

(Source: Department of Statistics)

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While biscuits in Malaysia are packed using both tin cans and plastic packaging, they serve different market segments. Tin cans are mainly used for larger quantities and gift varieties while plastic packaging is used for smaller quantities or specialty biscuits where product visibility is required. The production level of biscuits in Malaysia increased from 99,503 tonnes in 1994 to 132,737 tonnes in 2004, yielding a CAGR of 2.9% for that period. The stable production level of biscuits in Malaysia is expected to continue creating a steady demand for tin cans.

Production of Paints, Varnishes and Lacquers in Malaysia

Year	Emulsion Paints (metric tonne)	Gloss Paints (metric tonne)	Undercoats (metric tonne)	Primers (metric tonne)	Total (metric tonne)	Growth Rate (%)
1993	58,455	15,710	3,936	5,325	83,426	5.6
1994	66,099	17,282	4,296	6,816	94,493	13.2
1995	68,991	19,024	5,725	9,627	103,367	9.4
1996	76,142	18,972	4,703	10,973	110,790	7.2
1997	84,893	20,894	4,800	11,888	122,475	10.6
1998	66,268	14,225	3,653	6,658	90,804	(25.9)
1999	67,362	16,370	3,485	7,118	94,335	3.9
2000	72,474	16,008	3,571	6,676	98,729	4.7
2001	82,203	16,693	4,134	8,922	111,952	13.4
2002	88,171	18,592	3,838	7,980	118,581	5.9
2003	107,808	16,459	4,266	11,163	139,696	17.8
2004	110,169	19,735	4,079	14,874	148,857	6.6

(Source: Department of Statistics, Monthly Statistical Bulletin, December 2003 Issue)

The growth of total production of paints, undercoats and primers during the past 10 years was quite encouraging with a compounded annual growth rate of 5.4%. In particular, both emulsion paints and primers experienced relatively good growth rates. Paints and coatings are generally used for both aesthetics and corrosion prevention purposes. A huge part of the demand comes from the property market, particularly the residential property market segment, in both new and refurbishment functions.

(iii) Change in consumption pattern of Malaysians

The changing demographic structure towards a young population profile with 27% in the age between 15-29 years old has in turn changed the consumption pattern of Malaysians. With higher per capita income, coupled with modern urban lifestyles, Malaysians' consumption of ready-to-serve and fast food items has accelerated. Canned drinks, in particular carbonated drinks, surged to almost 50% of total output of beverages. The food, beverages and tobacco industries worth more than RM5,960 million contributed to 10% of total manufacturing output. Various measures taken to boost consumption has also boosted demand and growth in most food items, such as coconut oil, margarine, vanaspati, rice, as well as flour, biscuits and canned pineapples.

(Source: Economic Report 2003/2004)

The growing demand for convenient canned processed food and drinks is positive for the tin canning industry.

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(iv) Prospects and Outlook of the Group

The Can-One Group is principally involved in manufacturing of tin cans and jerry cans with its customers based in the food and industrial sectors. In view of the diversified nature of its customers' businesses, the future performance of the Group is mainly dependent on its customers, mainly edible oil refiners expanding their markets.

The Can-One Group is currently exporting to Singapore, Vietnam, Cambodia and New Zealand but intends to seek new growth markets through its competitive pricing. In order to reduce its production cost further and obtain greater cost efficiencies, the Group is investing in more automated machines to reduce its labour cost and also to increase its output efficiency.

5.7 Major Customers

The Can-One Group maintains a wide customer base to avoid over reliance on a single customer or customers from any single industry unless it is vital for achieving business growth and the customers are of good credit standing. Most of the products manufactured for these customers are for both the local market and export market, mainly the Middle East.

The top ten (10) customers of the Group for the FYE 2004 are as follows:

Customer	Percentage of total sales (%)	Length of relationship (Years)
Delima Oil Products Sdn Bhd (subsidiary of Felda Holdings Berhad)	12.87	*20
Pasir Gudang Edible Oils Sdn Bhd	8.32	10
Promac Enterprises Sdn Bhd	7.50	10
Wilmar Edible Oils Sdn Bhd	6.65	5
Khong Guan Vegetable Oil Refinery Sdn Bhd	4.47	20
Vocarimex, Vietnam	3.99	5
Cargill Palm Products Sdn Bhd	3.59	10
Nutrix Plantations Sdn Bhd	3.23	3
Wasawell Sdn Bhd	3.14	5
Mewaholeo Industries Sdn Bhd	2.96	8

Note:

* The length of relationship with Felda Holdings Berhad of twenty (20) years has taken into consideration the sales of tin cans to its subsidiaries, namely Felda Vegetable Oils Sdn Bhd from 1985 to 2001 and Delima Oil Products Sdn Bhd from 2001 to present.

In addition, the Group intends to establish itself in the longer term to be a major player supporting the edible oil and food industries, not confined to tin cans. As an initial step, the Group has ventured into the manufacture of jerry cans.

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5.8 Major Suppliers

The Can-One Group enjoys established relationships with its suppliers and ensures an uninterrupted supply of raw materials at competitive prices. As a result, the Can-One Group has not experienced any major problems with its suppliers throughout its operations and this is evidenced by the length of its business relationship with its suppliers.

The top ten (10) suppliers of the Group for the FYE 2004 are as follows:

	Product	Country	Percentage of total purchases %	Length of relationship Years
Perstima	Tinplate	Malaysia	48	22
Baosteel Singapore Pte Ltd	Tinplate	Singapore	18	5
Korus Co Ltd	Tinplate	South Korea	6	3
Chevron Phillips Singapore Chemicals Pte. Ltd.	Plastics Resin	Singapore	5	2
Sumikeng (Malaysia) Sdn Bhd	Plastics Resin	Malaysia	4	2
Commercial Plastic Industry Sdn Bhd	Plastics Resin	Malaysia	3	2
Metrod (OFSC) Sdn Bhd	Copper Wire	Malaysia	2	25
Viking Corporation	Tinplate	United States	2	5
Polyethylene (Malaysia) Sdn Bhd	Plastics Resin	Malaysia	1	1
The Valspar (Malaysia) Corporation Sdn Bhd	Inks and Coatings	Malaysia	1	3

5.9 Future Plans and Strategies

The Can-One Group is principally involved in the tin cans and jerry cans manufacturing industry with its customers based in the food and industrial sectors. Therefore, the Can-One Group will be focusing on the organic growth of manufacturing tin cans for the edible oil and food industries which is an area of strength for the Can-One Group.

In this respect, the venture into the manufacture of jerry cans is a step in further establishing the Company as a major player in the provision of "packaging" services to the edible oil and food industry as there is a growing demand for jerry cans, which are reusable, especially for the export of edible oil to the African continent and other developing countries.

The production of jerry cans also enables Can-One to provide a wider choice of products with high quality service to its existing customers with whom Can-One enjoys well-established relationships. Further, organic growth in the manufacturing of tin cans for the edible oils and food industry also enhances the Group's niche in the tin can manufacturing industry.
Can-One also constantly strives to introduce new product lines and new designs to its tin cans. Currently, the Can-One Group has several patents in hand, such as the "neck-in" design for easier stacking of tin cans as well as special designs for 5kg biscuit tins.

5. INFORMATION ON THE CAN-ONE GROUP

In order to strengthen and enhance the long-term profitability of the Group, the Group has also adopted the following strategies in the formulation and implementation of its future plans:

5.9.1 To expand its production facilities

Can-One Group has to-date set up five (5) factories in Malaysia. All five (5) factories are located within ten (10) kilometre radius from its major customers and sea ports. This enables the Group to shorten delivery lead time and ensure that the Group is able to promptly react on customers' requests.

The five (5) factories are located in the following areas:

- Mak Mandin (two (2) factories)
- Pandamaran
- Telok Panglima Garang
- Pasir Gudang

The Group intends to allocate RM3.7 million to acquire a piece of sixty (60)-year industrial leasehold land in Pasir Gudang Industrial Park, Johor. Pursuant to the proposed acquisition of the Land, the Group intends to construct a new factory on the Land to complement its existing manufacturing facilities. The construction of the proposed new factory is estimated to cost about RM3.3 million and it is expected to be completed within twelve (12) months from the listing date. Six (6) units of blow moulding machines for jerry cans and two (2) automated lock-seam biscuits production lines will be installed in the proposed new factory. These machines are expected to produce 3,504,000 jerry cans and 5,000,000 tin cans per year at full capacity.

In addition, Aik Joo had on 28 January 2005 entered into a sale and purchase agreement with Shaldan (Malaysia) Sdn Bhd to acquire a piece of land and building for a total purchase consideration of RM2.45 million in Mak Mandin. The said land and building were acquired for future expansion purposes.

The Group maintains its own fleet of lorries to ferry finished tin cans between factories and to its customers. As at the Latest Practicable Date, the Group has a total of thirty (30) lorries of various sizes.

5.9.2 To train and retain skilled technical employees

As the Group is essentially a manufacturing set-up, experienced and skilled employees are necessary for the smooth operation of the various production lines. The nature of the Group's business which offers a host of products with varying customers' specifications also demands the workers to be adept and trained to attend to different production processes. Hence, the employees periodically attend relevant training programmes which are fully-sponsored by the Group to upgrade and update their technical knowledge and know-how.

Further, as the Group progressively automates its production processes, there is a need for experienced and skilled technical employees who are able to operate the computerised machines and oversee the production processes. In this case, training programmes are necessary to train the employees to handle and operate the new machines properly and more effectively from the technical aspect.

5.9.3 To obtain ISO certification for the Can-One Group

The Group continuously strives to maintain and improve the quality of all its products. As a result of the Group's commitment towards quality products, its Teluk Panglima Garang Branch had achieved ISO 9001:2000 status from BM Trada Certification Ltd in 2002. The Group plans to engage in ISO projects for all its other factories in the foreseeable future.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

6.1 Promoters and Substantial Shareholders

6.1.1 Shareholdings

The promoters and substantial shareholders of Can-One and their shareholdings in Can-One after the IPO but before ESOS are as follows:

Name	Designation	Nationality/ Country of incorporation	Direct		Indirect	
			No. of Can-One Shares	%	No. of Can-One Shares	%
Promoters/Substantial Shareholders						
Yeoh Jin Hoe	Promoter/ Managing Director	Malaysian	300,000[1]	0.20	70,100,881[2]	46.00
Gan Kam Lan	Promoter	Malaysian	-	-	70,100,881[2]	46.00
Eller Axis	Promoter	Malaysia	70,100,881	46.00	-	-
Substantial Shareholders						
Razmi Bin Alias	Non-Independent Non-Executive Director	Malaysian	300,000[1]	0.20	26,771,119[3]	17.57
Faisal Sabri Bin Abd Khalid	Shareholder	Malaysian	-	-	26,771,119[3]	17.57
Iska Tenaga	Substantial Shareholder	Malaysia	26,771,119	17.57	-	-

Notes:

(1) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).

(2) Deemed interested by virtue of his/her substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.

(3) Deemed interested by virtue of his substantial shareholdings in Iska Tenaga pursuant to Section 6A of the Act.

6.1.2 Profile

(a) Promoters

Yeoh Jin Hoe

The profile of Yeoh Jin Hoe, who is also a Director of Can-One is set out in Section 6.2.1 of this Prospectus.

Gan Kam Lan

Gan Kam Lan, aged 53, is a promoter and substantial shareholder of Can-One. She is a manager in a law firm in Penang, where she worked since 1974. Prior to that, she was a teacher at the Methodist Secondary School in Parit Buntar from 1970 to 1973 where she was educated.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

Eller Axis

History and business

Eller Axis was incorporated under the Act as a private limited company on 21 February 2000. It is an investment holding company with an authorised share capital of RM1,000,000 comprising 1,000,000 Shares. It has a present issued and paid-up share capital of RM1,000,000 comprising 1,000,000 Shares.

Substantial Shareholders and Directors

The substantial shareholders and Directors of Eller Axis and their shareholdings in Eller Axis as at the Latest Practicable Date are set out as follows:

Substantial shareholders and Directors	Direct		Indirect		Nationality/ Country of incorporation
	No. of Shares held	%	No. of Shares held	%	
Yeoh Jin Hoe	800,000	80.00	-	-	Malaysian
Gan Kam Lan	200,000	20.00	-	-	Malaysian

(b) Substantial Shareholders

Razmi Bin Alias

The profile of Razmi Bin Alias, who is also a Director of Can-One is set out in Section 6.2.1 of this Prospectus.

Faisal Sabri Bin Abd Khalid

Faisal Sabri Bin Abd Khalid, aged 60, is a substantial shareholder of Can-One. He holds a Bar Part I certificate from the Honourable Society of Lincoln's Inn, London, United Kingdom. He is presently a substantial shareholder of Iska Tenaga and Managing Director of a car distributing company, Segi Generasi (M) Sdn Bhd. Prior to this, he was a Public Affairs Manager and Legal Affairs Manager in two private companies respectively.

Iska Tenaga

Iska Tenaga was incorporated under the Act as a private limited company on 21 February 2000 under the name Iska Trend Sdn Bhd. It then changed its name to Iska Tenaga in May 2002. It is an investment holding company with an authorised share capital of RM100,000 comprising 100,000 Shares. It has a present issued and paid-up share capital of RM30,000 comprising 30,000 Shares.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

Substantial Shareholders and Directors

The substantial shareholders and Directors of Iska Tenaga and their shareholdings in Iska Tenaga as at the Latest Practicable Date are set out as follows:

Substantial Shareholders and Directors	Direct		Indirect		Nationality/ Country of incorporation
	No. of Shares	% held	No. of Shares	% held	
Razmi Bin Alias	20,000	66.67	-	-	Malaysian
Faisal Sabri Bin Abd Khalid	10,000	33.33	-	-	Malaysian

6.1.3 Directorships and/or their Substantial Shareholdings in other public companies for the past two (2) years

None of the promoters and substantial shareholders of Can-One have any directorships and/or substantial shareholdings in other public companies for the past two (2) years.

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6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

6.1.4 Changes in the Promoters' and Substantial Shareholders' Shareholdings in Can-One for the past three (3) years

Can-One was incorporated on 7 January 2004. Therefore, the changes in the promoters' and substantial shareholders' shareholdings (direct and/or indirect interest) in Can-One since incorporation are as follows:

	Shareholdings as at 7 January 2004				Shareholdings as at 31 December 2004				Shareholdings After IPO but before ESOS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Can-One Shares held	%	No. of Can-One Shares held	%
Chan Kah Sum	-	-	-	-	1	50.00	-	-	-	-	-	-
Seow Tieh Chou	1	50.00	-	-	1	50.00	-	-	-	-	-	-
Chan Keng Thong	1	50.00	-	-	-	-	-	-	-	-	-	-
Eller Axis	-	-	-	-	-	-	-	-	70,100,881	46.00	-	-
Iska Tenaga	-	-	-	-	-	-	-	-	26,771,119	17.57	-	-
Yeoh Jin Hoe	-	-	-	-	-	-	-	-	(3)300,000	0.20	(1)70,100,881	46.00
Gan Kam Lan	-	-	-	-	-	-	-	-	-	-	(1)70,100,881	46.00
Razmi Bin Alias	-	-	-	-	-	-	-	-	(3)300,000	0.20	(2)26,771,119	17.57
Faisal Sabri Bin Abd Khalid	-	-	-	-	-	-	-	-	-	-	(2)26,771,119	17.57

Notes:

(1) Deemed interested by virtue of his/her substantial shareholding in Eller Axis pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of his substantial shareholding in Iska Tenaga pursuant to Section 6A of the Act.

(3) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).

* Negligible.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

6.2 Directors

6.2.1 Profile

William Maurice Samson, aged 79, is the Independent Non-Executive Chairman of Can-One. He was admitted as a Member of the British Institute of Management (United Kingdom), Institute of Management (Malaysia) and made a Fellow of the Institute of Directors (London) in 1976/78.

He brings to the Chair a wealth of experience spanning some thirty-five (35) years with both local and international companies. Starting as an Engineering Assistant with Sandilands Buttery & Company Ltd. in 1955, he rose to the rank of Managing Director. He was a Director of Antah Holdings Berhad, a company listed on the Main Board of Bursa Securities from 1979 until 1981 when he established his own company, WMS Marketing Services Sdn Bhd.

Yeoh Jin Hoe, aged 58, is the Managing Director of Can-One. He has extensive experience in manufacturing and trading businesses having founded Kaiserkorp Sdn Bhd group of companies (Kaiserkorp Group) which manufactures and distributes "Kingkoil" and other branded mattresses in Malaysia and overseas. He was also founder of Agrow (Malaysia) Sdn Bhd, a distributor of sanitary wares, ironmongery and locks and Ibufood Corporation Sdn Bhd group of companies (Ibufood Group), which manufactures and trades "Indomie" instant noodles and other food products. He is mainly responsible for the development of Can-One Group's vision, corporate goals and objectives and setting strategies and plans to meet such goals and objectives.

Since his appointment as the Managing Director of Aik Joo, he had chartered strategies to pave the way for the Group to expand its current core business with the goal to grow the current business. Under his direction, Aik Joo and Canzo had in December 2003 ventured into the manufacture of jerry cans to further enhance the Group's position as one of the major can producers supporting the edible oil and food industries. As part of the growth strategy, production capacity has increased and the production of cans is progressively fully automated.

Chee Khay Leong, aged 44, is the Executive Director/Chief Operating Officer of Can-One. He has served Aik Joo for more than twenty-five (25) years. He is one of the pioneer staff when the Butterworth factory was started. He is an integral part of the management team who is responsible for bringing Aik Joo from a small cottage industry up to its current size. He is in charge of overall operational and marketing matters of the Group. He is also responsible for implementation of the broad operational strategies and policies approved by the Board of Can-One, developing annual operating and capital budget of the Group, overseeing the day-to-day operations and performance of the Group as well as identifying potential investments for the Group.

Yeoh Jin Beng, aged 53, is a Non-Independent Non-executive Director of Can-One. He has twenty-nine (29) years of experience in manufacturing and trading businesses having been the original shareholder in Kaiserkorp Group and Ibufood Group. He is presently the Managing Director of Ibufood Group.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

Yusof Annuar Bin Yaacob, aged 39, is a Non-Independent Non-Executive Director of Can-One. He is a member of the Chartered Institute of Management Accountants, United Kingdom and the Malaysian Institute of Accountants. He has seventeen (17) years of experience in investment banking, financial management and accounting. He is presently a Non-Executive Director of OCB Berhad which is listed on the Main Board of Bursa Securities, Non-Executive Director of Celcom (Malaysia) Berhad and Chief Executive Officer of TM International Sdn Bhd.

Razmi Bin Alias, aged 48, is a Non-Independent Non-Executive Director of Can-One. He graduated from Universiti Teknology Mara in 1977 with a Diploma in Business Studies before obtaining a Bachelor in Business Administration from Western Michigan University, Michigan, United States of America (USA) in 1977 and a Masters in Business Administration (MBA) from the Central Michigan University, Michigan, USA in 1980. He worked with a local financial institution in 1998 and since 1999 to present, he holds directorships in Iska Tenaga and other private companies.

See Ewe Lin, aged 49, is an Independent Non-Executive Director of Can-One. He graduated from Ealing College in 1985 with a Law Degree (LLB). In 1986, he passed the Local Certificate of Legal Practice (CLP) in Kuala Lumpur. He practiced law at Messrs Lim Cheng Poh, Lim & Rahim in 1987. In October 1991, he joined Messrs Ooi Lee & Company as a Partner of the firm. He is also a Director and substantial shareholder in a private property holding company.

6.2.2 Shareholdings in Can-One

The shareholdings of the Directors in Can-One (direct and indirect), after the IPO but before ESOS are as follows:

Name	Designation	Direct		Indirect	
		No. of Can-One Shares	%	No. of Can-One Shares	%
William Maurice Samson	Independent Non-Executive Chairman	[2]300,000	0.20	-	-
Yeoh Jin Hoe[1]	Managing Director	[2]300,000	0.20	[3]70,100,881	46.00
Chee Khay Leong	Executive Director / Chief Operating Officer	[2]300,000	0.20	-	-
Yeoh Jin Beng[1]	Non-Independent Non-Executive Director	[2]300,000	0.20	-	-
Yusof Annuar Bin Yaacob	Non-Independent Non-Executive Director	[2]300,000	0.20	-	-
Razmi Bin Alias	Non-Independent Non-Executive Director	[2]300,000	0.20	[4]26,771,119	17.57
See Ewe Lin	Independent Non-Executive Director	[2]300,000	0.20	-	-

Notes:

(1) Yeoh Jin Hoe and Yeoh Jin Beng are brothers.

(2) Assuming he subscribed for all his entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).

(3) Deemed interested by virtue of his substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of his substantial shareholdings in Iska Tenaga pursuant to Section 6A of the Act.

6.2.3 Directorships and/or Substantial Shareholdings in other public companies for the past two (2) years

Save for the directorships of Yusof Annuar Bin Yaacob as disclosed in Section 6.2.1 of this Prospectus, none of the Directors of Can-One have any directorships and/or substantial shareholdings in other public companies for the past two (2) years.

6.2.4 Directors' Remuneration and Benefits

For the FYE 2004, the amount payable to the Directors of Aik Joo for services rendered in the aforesaid capacities to the company was RM413,000. The proposed remuneration and benefits payable to the Directors of the Group for the FYE 2005 amount to approximately RM900,000.

The number of Directors in the various remuneration bands is set out below:

Remuneration band RM	FYE					
	2004			2005		
	Executive Directors	Non-executive Directors	Total	Executive Directors	Non-executive Directors	Total
0 – 100,000	1	2	3	-	5	5
100,001 – 200,000	-	-	-	1	-	1
200,001 – 300,000	-	-	-	-	-	-
300,001 – 400,000	1	-	1	1	-	1

6.3 Audit Committee

The composition of the Audit Committee is as follows:

Name	Designation	Directorship
William Maurice Samson	Chairman	Independent Non-Executive Chairman
See Ewe Lin	Member	Independent Non-Executive Director
Yusof Annuar Bin Yaacob	Member	Non-Independent Non-Executive Director

The Audit Committee is responsible for making recommendations to the Board of Can-One regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Group's external auditors and reviewing and evaluating the Group's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflicts of interest. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

6.4 Key Management and Key Technical Personnel

6.4.1 Profile

Save for the profile of Yeoh Jin Hoe and Chee Khay Leong as disclosed in Section 6.2.1 of this Prospectus, the profile of the senior management of the Group is set out below:

Tan Bee Keng, aged 45, is the Group Company Secretary. She is an Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom and has more than twenty (20) years of experience in the corporate and secretarial field. She was previously a Manager-Group Secretarial with a management company serving a public listed group. She is presently also the Company Secretary of OCB Berhad which is listed on the Main Board of Bursa Securities.

Tan Beng Wah, aged 37, is the General Manager of Finance & Administration Division of the Group. He is a member of the Malaysian Institute of Accountants. He obtained his Bachelor of Accounting degree (Honours) from Universiti Utara Malaysia in 1993 and obtained his MBA in 2002 from Universiti Utara Malaysia. He joined Aik Joo in 1998 and is in charge of the finance and administration department of Aik Joo. Prior to joining Aik Joo, he worked in KPMG Peat Marwick, Penang as audit assistant for one (1) year and a subsidiary of Sin Kean Boon Group Berhad, a company listed on the Second Board of Bursa Securities as finance manager for three (3) years.

Chong Yue Chin, aged 52, is the General Manager of Sales & Marketing Division of the Group. He was responsible for setting up Teluk Panglima Garang factory and he also heads the jerry can division of Aik Joo. He has more than fifteen (15) years of experience in the manufacturing industry. He graduated with a diploma in engineering from Federal Institute of Technology. Prior to joining Aik Joo, he worked as sales manager in a manufacturing company.

The senior management team is assisted by other key members including:

Branch Managers:

Moy Weng Tat, aged 45 is the Branch Manager of Pandamaran factory. He has worked in Aik Joo for more than ten (10) years. Prior to joining Aik Joo, he worked in the operation and marketing division of a palm oil refinery for more than ten (10) years.

Ng Kim Tong, aged 37 is the Branch Manager/Quality Control Manager of Teluk Panglima Garang factory. He holds a Bachelor of Science in Food Science and Nutrition from National University of Malaysia. He is a member of The American Oil Chemist Society. He joined Aik Joo in 2002 as an assistant manager and was promoted as Branch Manager in 2004. Prior to joining Aik Joo, he worked as a chemist for six (6) years and as quality control inspector in an oil refinery for two (2) years.

Chong Yap Foe, aged 43 is the Branch Manager of Pasir Gudang factory. He is one of the pioneer staff in Pasir Gudang factory. He has more than ten (10) years working experience in Aik Joo. Prior to joining Aik Joo, he worked as a marketing executive in another can making company.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

Finance & Administration Department:

Lim Phaik Ean, aged 45, is the Administration Manager. She obtained Higher Stage Certificate in Accounting and Economic from The London Chamber of Commerce and Industry in 1981 and Certificate in Administrative Management from the Institute of Administrative Management in 1993. She assists senior management to coordinate administrative tasks. She has more than twenty (20) years of experience in administrative role having joined Aik Joo in 1980.

Technical Department:

Wong Woo @ Wong Koon Nam, aged 59 is the Chief Electrical Engineer of Aik Joo. He has a diploma in electrical engineering from Tai Chung Senior Industrial Technical School. He has more than twenty-five (25) years of working experience in tin can industry. Prior to joining Aik Joo in early 1995, he worked as the chief electrical engineer in an engineering firm which specialises in can-making lines.

Lok Boon Seng, aged 49 is the Chief Mechanical Engineer of Aik Joo. He is one of the pioneer staff of Aik Joo and has worked in Aik Joo since 1970. He provides the vital mechanical engineering experience and support to all factories in Aik Joo. He also heads the major research and development project in Aik Joo.

Printing Department:

Ng Yeow Fatt, aged 47 joined Aik Joo in 1995 and is currently the Technical Manager for Printing and Projects. He has a diploma in printing technology from the Institute of Printing Technician. Prior to joining Aik Joo, he has worked as a manager in printing department in another can manufacturing company for more than twenty (20) years.

P'ng Yew Khoon, aged 44 joined Aik Joo in 1986 and is currently heading the printing department in Mak Mandin factory. Prior to joining Aik Joo, he worked in similar capacity in another tin can manufacturer.

Production & Quality Control:

Devdass A/L Sebastian, aged 45 is Head of Production and Technical and also responsible for the technical aspect of all our factories. He joined Aik Joo in 1976 and has more than twenty-five (25) years of experience in this industry.

Abu Talib Bin Abd Rahim, aged 53 is Head of Production and Maintenance in the Pasir Gudang factory. He joined Aik Joo in 1995. He holds a diploma in mechanical engineering from Institut Teknologi Mara. Prior to joining Aik Joo, he worked in a similar capacity with another tin can manufacturer.

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6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

6.4.2 Shareholdings in Can-One

Save as disclosed below, none of the other members of the key management or key technical personnel have any shareholdings in Can-One after the IPO but before ESOS.

Name	Designation	Direct		Indirect	
		No. of Can-One Shares	%	No. of Can-One Shares	%
Yeoh Jin Hoe	Promoter / Managing Director	300,000[1]	0.20	70,100,881[2]	46.00
Chee Khay Leong	Executive Director / Chief Operating Officer	300,000[1]	0.20	-	-
Tan Bee Keng	Group Company Secretary	150,000[1]	0.10	-	-
Tan Beng Wah	General Manager - Finance and Administration	150,000[1]	0.10	-	-
Chong Yue Chin	General Manager – Sales and Marketing	150,000[1]	0.10	-	-
Moy Weng Tat	Branch Manager – Pandamaran	100,000[1]	0.07	-	-
Ng Kim Tong	Branch Manager / Quality Control Manager – Teluk Panglima Garang	100,000[1]	0.07	-	-
Chong Yap Foe	Branch Manager – Pasir Gudang	100,000[1]	0.07	-	-
Lim Phaik Ean	Administration Manager	100,000[1]	0.07	-	-
Wong Woo @ Wong Koon Nam	Chief Electrical Engineer	100,000[1]	0.07	-	-
Lok Boon Seng	Chief Mechanical Engineer	100,000[1]	0.07	-	-
Ng Yeow Fatt	Technical Manager – Printing and Projects	100,000[1]	0.07	-	-
P'ng Yew Koon	Head of Printing – Mak Mandin Branch	100,000[1]	0.07	-	-
Devdass A/L Sebastian	Head of Production and Technical	100,000[1]	0.07	-	-
Abu Talib bin Abdul Rahim	Head of Production and Maintenance – Pasir Gudang	100,000[1]	0.07	-	-

Notes:

(1) Assuming he/she subscribed for all his/her entitlement under the Share Allocation Scheme (but excluding any ESOS allocation).

(2) Deemed interested by virtue of his substantial shareholdings in Eller Axis pursuant to Section 6A of the Act.

6. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS, KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL OF THE CAN-ONE GROUP

6.5 Involvement of Executive Directors / Key Management in other Businesses / Corporations

None of the Executive Directors or key management is involved in other businesses or corporations, except for Yeoh Jin Hoe as disclosed in Section 6.2.1 of this Prospectus. Notwithstanding that Yeoh Jin Hoe is a director of Kaiserkorp Group and Agrow (Malaysia) Sdn Bhd, he is not involved in the day-to-day management of these companies. Further, he is a director of these companies by virtue of him being the founder.

6.6 Declaration by the Directors, Key Management and Key Technical Personnel

None of the Directors, key management or key technical personnel is or has been involved in any of the following events (whether in or outside Malaysia):

(i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director, key management and key technical personnel; or

(ii) Charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or

(iii) Being the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

6.7 Family relationships and associations

Save for Yeoh Jin Beng who is the brother of Yeoh Jin Hoe, there are no other family relationships (under Section 122A of the Act) and associations between the promoter, substantial shareholders, Directors, key management and key technical personnel of the Can-One Group.

6.8 Service Agreements

Save as disclosed below, as at the Latest Practicable Date, there are no existing or proposed service agreements entered into or to be entered into between the Company or any of its subsidiaries, and its Directors, key management or key technical personnel:

On 16 March 1999, Chee Khay Leong, who has served Aik Joo for more than twenty-five (25) years, entered into a service contract with Aik Joo whereby he will continue to serve Aik Joo subject to, amongst others, if he wishes to terminate the service contract, he will have to give not less than six (6) calendar months notice in writing or its equivalent six (6) months salary in lieu of notice.

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7. APPROVALS AND CONDITIONS

7.1 Approvals Required

The Flotation Exercise is conditional upon the following approvals being obtained:

(i) The SC (and under the Guideline on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests), the approvals of which were obtained on 6 April 2005; and

(ii) The MITI, the approval of which was obtained on 20 October 2004.

7.2 Conditions to the Approvals and Status of Compliance

The conditions imposed by the authorities and the status of compliance are as follows:

Authority	Conditions Imposed		Status of Compliance
SC	(i)	The promoters and directors of the Can-One Group who are involved full-time in the Group's business should not be involved in any full-time position in their other private businesses;	Complied. The promoters and directors of the Can-One Group who are involved full-time in the Group's business have given irrevocable undertaking letters dated 16 May 2005 that they will not be involved in any full-time position in their other private businesses.
	(ii)	The promoters, directors and substantial shareholders of Can-One should not in future, carry out any other new business, which will compete directly or indirectly and be in conflict with business of the Group. The substantial shareholders and promoters of Can-One should provide an undertaking that they would not be involved in a new similar/competing business with the existing businesses of the Can-One Group in the future.	To be complied. The promoters, directors and substantial shareholders of Can-One have given irrevocable undertaking letters dated 16 May 2005 that they would not be involved in a new/similar competing business with the existing businesses of the Can-One Group in the future.
	(iii)	Any future dealings between the Group and companies related to promoters and directors of Can-One, if any, must be on an arm's-length basis. There should not be any special arrangements for the related-party transactions, which are beyond the normal commercial terms and which would put the Can-One Group at a disadvantaged position. In this regard, the Audit Committee of Can-One should monitor the terms of any such transactions and the directors should report any such transactions in the annual report of Can-One;	To be complied.
	(iv)	Moratorium to be imposed on the Can-One shares held by the substantial shareholders namely Eller Axis and Iska Tenaga whereby they are not allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up share capital of Can-One, i.e. 152,400,000 ordinary shares of RM0.50 each shares, for two (2) years from the listing date of Can-One. Thereafter, the shareholders are allowed to sell, transfer or assign only up to a maximum of ½ of its shareholdings under moratorium per annum.	To be complied.

7. APPROVALS AND CONDITIONS

<table>
<tr><th>Authority</th><th colspan="3">Conditions Imposed</th><th>Status of Compliance</th></tr>
<tr><td></td><td></td><td colspan="2">In addition, each of the individual shareholders of Eller Axis and Iska Tenaga is required to give an undertaking that he/she will not sell, transfer or assign his/her shareholding in Eller Axis and Iska Tenaga for the period of the moratorium. The letters of undertaking of each shareholder of Eller Axis and Iska Tenaga should be provided to SC prior to the registration and issue of Can-One's listing prospectus;</td><td>Complied. Each of the individual shareholders of Eller Axis and Iska Tenaga has given the irrevocable undertaking letters dated 16 May 2005.</td></tr>
<tr><td></td><td>(v)</td><td colspan="2">Can-One should disclose in the quarterly and annual reports the status of utilisation of proceeds raised from the Public Issue until the proceeds are fully utilised;</td><td>To be complied.</td></tr>
<tr><td></td><td>(vi)</td><td colspan="2">With regard to the trade debtors, Can-One to comply with the following conditions:</td><td></td></tr>
<tr><td></td><td></td><td>(a)</td><td>Full provision should be made for all overdue trade debtors which are in dispute or under legal action, or for amounts which have been outstanding for more than 6 months. The directors of Can-One should submit a declaration to the SC that this condition has been fulfilled prior to the issue of the listing prospectus; and</td><td>Complied. Can-One has submitted a statutory declaration dated 16 May 2005 to the SC that this condition has been fulfilled.</td></tr>
<tr><td></td><td></td><td>(b)</td><td>The directors of Can-One should confirm and submit a declaration to the SC prior to the issue of the listing prospectus that trade debtors exceeding the credit period which have not been provided for as doubtful debts, excluding those under paragraph (a) above, are recoverable;</td><td>Complied. Can-One has submitted a statutory declaration dated 16 May 2005 to the SC that this condition has been fulfilled.</td></tr>
<tr><td></td><td>(vii)</td><td colspan="2">With regard to the proposed equity structure of Can-One:</td><td></td></tr>
<tr><td></td><td></td><td>(a)</td><td>30% of the enlarged share capital of Can-One to be held by Bumiputera investors should be approved by the MITI to comply with the National Development Policy (NDP) requirement; and</td><td>To be complied.</td></tr>
<tr><td></td><td></td><td>(b)</td><td>SIBB/Can-One is required to provide compliance status with the NDP requirement upon completion of the listing exercise;</td><td>To be complied.</td></tr>
<tr><td></td><td>(viii)</td><td colspan="2">The Asset Valuation Audit Department's (AVA) conditions on the following properties, are tabulated below:
<table>
<tr><th>Ref No.</th><th>Property Description</th><th>Conditions Imposed</th></tr>
<tr><td>C739-1-1</td><td>Lot No PTD 71057 Mukin of Pelentong District of Johor Bahru, Johor
(A single-storey detached factory and other outbuildings)</td><td>Condition Approval:
1. The company is to obtain the approval for the change of Express Condition in the land titile to those suitable for the current use of the property within 1 year of the SC's approval letter.
2. To make quarterly announcement to Bursa Securities on the status of the above application and to update SC when such announcements are made.</td></tr>
</table></td><td>To be complied. Ajcan has submitted the application on 27 May 2004 and the application is pending approval as at the Latest Practicable Date.

To be complied.</td></tr>
</table>

7. APPROVALS AND CONDITIONS

<table>
<tr><th>Authority</th><th colspan="2">Conditions Imposed</th><th>Status of Compliance</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Ref No.</th><th>Property Description</th><th>Conditions Imposed</th></tr>
<tr><td>C739-1-2</td><td>Lot No 1429 (Plot 27) Mukim 14, District of Seberang Perai Utara, Pulau Pinang
(A single storey factory with a double storey office building and 1 ½ storey factory)</td><td>Conditions Approval:
1. The company is to obtain the approved building plans for the unapproved structures within 1 year of SC's approval letter.
2. To make quarterly announcement to Bursa Securities on the status of the above applications and to update SC when such announcements are made.</td></tr>
</table>
</td><td>Complied.

To be complied.</td></tr>
<tr><td></td><td>(ix)</td><td>Can-One should fully comply with all the relevant requirements as stipulated in the Issues Guidelines.</td><td>Noted by the Company.</td></tr>
</table>

On 24 June 2005, the MITI has approved 11,510,000 Can-One Shares to be allocated to bumiputera approved investors. Accordingly, the remaining 7,540,000 Can-One Shares reserved for bumiputera remain unallocated by the MITI as at the date of this Prospectus. The effect of the IPO on the equity structure of Can-One after taking into consideration the above approved allocated bumiputera investors is set out below:

	Shareholdings After IPO but before ESOS	
Bumiputera:	**No. of Can-One Shares**	**%**
- Iska Tenaga	26,771,119	17.57
- Allocated bumiputera approved investors	11,510,000	7.55
	38,281,119	25.12
Non-bumiputera*	114,118,881	74.88
Foreign*	0	0
Total	**152,400,000**	**100.00**

* Assuming these Can-One Shares are subscribed fully by non-bumiputera investors only.

<table>
<tr><th>Authority</th><th colspan="2">Conditions Imposed</th><th>Status of Compliance</th></tr>
<tr><td>MITI</td><td>(i)</td><td>To obtain the SC's approval and the FIC's approval pursuant to the guidelines of FIC;</td><td>Complied. The approvals of the SC and the FIC, pursuant to the Guideline on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests issued by the FIC were obtained on 6 April 2005.</td></tr>
<tr><td></td><td>(ii)</td><td>The allocation of 19,050,000 Offer Shares representing 12.50% of the enlarged share capital of Can-One is to be approved by MITI after obtaining approval from the SC; and</td><td>To be complied.</td></tr>
</table>

7. APPROVALS AND CONDITIONS

Authority	Conditions Imposed		Status of Compliance
	(iii)	MITI agrees to the recognition of Iska Tenaga as a Bumiputera shareholder of Can-One, holding 26,771,119 Can-One Shares representing 17.57% of the enlarged issued and paid-up share capital of Can-One upon completion of the Proposed Flotation Exercise, as an approved Bumiputera investor, subject to the condition that 30% of the recognised Can-One Shares is allowed to be disposed of within three (3) months after the Listing date and the balance 70% be disposed of in stages with the prior approval of MITI.	To be complied.

7.3 Moratorium on Disposal of Can-One Shares

The SC, in approving the Listing had, via its letter dated 6 April 2005, imposed a moratorium on the Can-One Shares held by the substantial shareholders of Can-One namely Eller Axis and Iska Tenaga whereby they are not allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up share capital of Can-One, i.e. 152,400,000 Can-One Shares, for two (2) years from the listing date of Can-One. Thereafter, the shareholders are allowed to sell, transfer or assign only up to a maximum of half (1/2) of their shareholdings under moratorium per annum.

The number of Can-One Shares to be held under moratorium by Eller Axis and Iska Tenaga which are subject to the moratorium is as follows:

Shareholder	*Shareholdings after IPO but before ESOS				Can-One Shares to be held under moratorium			
	Direct		Indirect		Direct		Indirect	
	No. of Can-One Shares	%	No. of Can-One Shares	%	No. of Can-One Shares	%	No. of Can-One Shares	%
Eller Axis	70,100,881	46.00	-	-	54,500,526	35.76	-	-
Iska Tenaga	26,771,119	17.57	-	-	14,079,474	9.24	-	-
Total	**96,872,000**	**63.57**	**-**	**-**	**68,580,000**	**45.00**	**-**	**-**

Note:
* After Subdivision of Shares

In addition, each of the individual shareholders of Eller Axis and Iska Tenaga, namely Yeoh Jin Hoe, Gan Kam Lan, Razmi bin Alias and Faisal Sabri Bin Abd Khalid are required to give an undertaking that he/she will not sell, transfer or assign his/her shareholding in Eller Axis and Iska Tenaga for the period of the moratorium. The undertaking letters by each shareholder of Eller Axis and Iska Tenaga above were furnished to the SC on 16 May 2005.

The condition which is fully accepted by Yeoh Jin Hoe, Gan Kam Lan, Razmi bin Alias and Faisal Sabri Bin Abd Khalid is specifically endorsed on the share certificates representing the respective shareholdings of the shareholders above which are under moratorium to ensure that Can-One's share registrar does not register any transfer not in compliance with the condition imposed by SC.